Marine Corps Project Perspective
Tri-Command Military Housing

presented by:

Actus Lend Lease

Jim Evans

President

Actus Asset Management

26 January 2004

TRI-COMMAND

Military Housing LLC

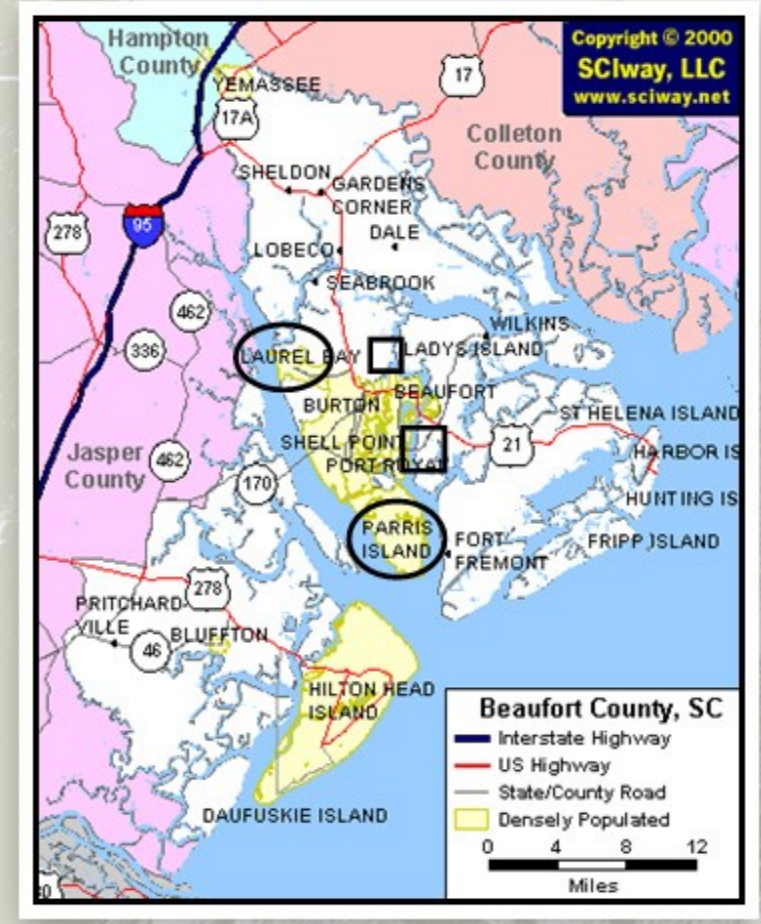
Agenda

- Background/Project Timeline
  1. Privatization Challenges
  2. Lessons Learned
  3. Post Closing Issues – Working with Installation Personnel
  4. Suggested Changes to Process
  5. Resident Satisfaction/Tenant Survey
- Summary & Conclusion

Background
Tri-Command Overview

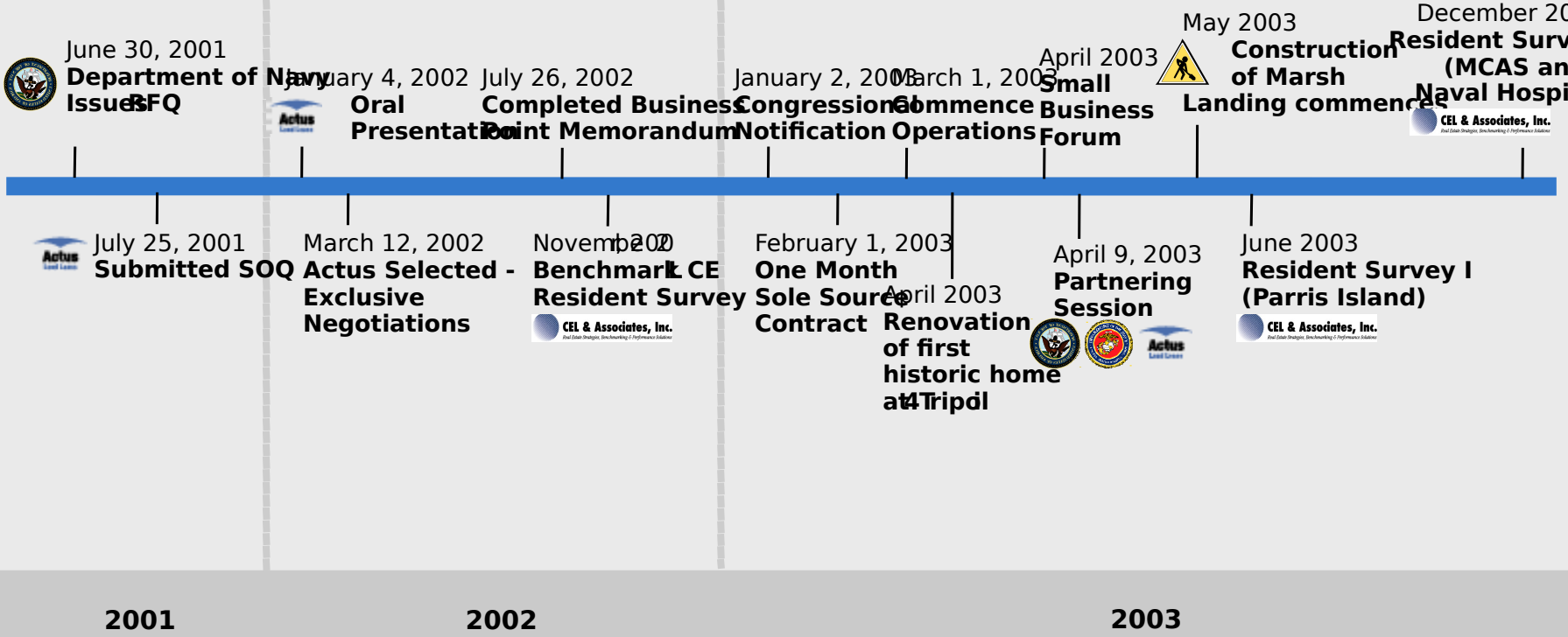
- Laurel Bay - 1,095
- MCAS - 154
- Naval Hospital - 53
- Parris Island - 230

Total Homes 1,532



Background
Project Timeline

Tri-Command History by Date



Background
The Services Differ

The reason the Air Force, Army, Navy and Marines bicker amongst themselves is that they don't speak the same language. For instance, take the simple phrase **"secure the building".**

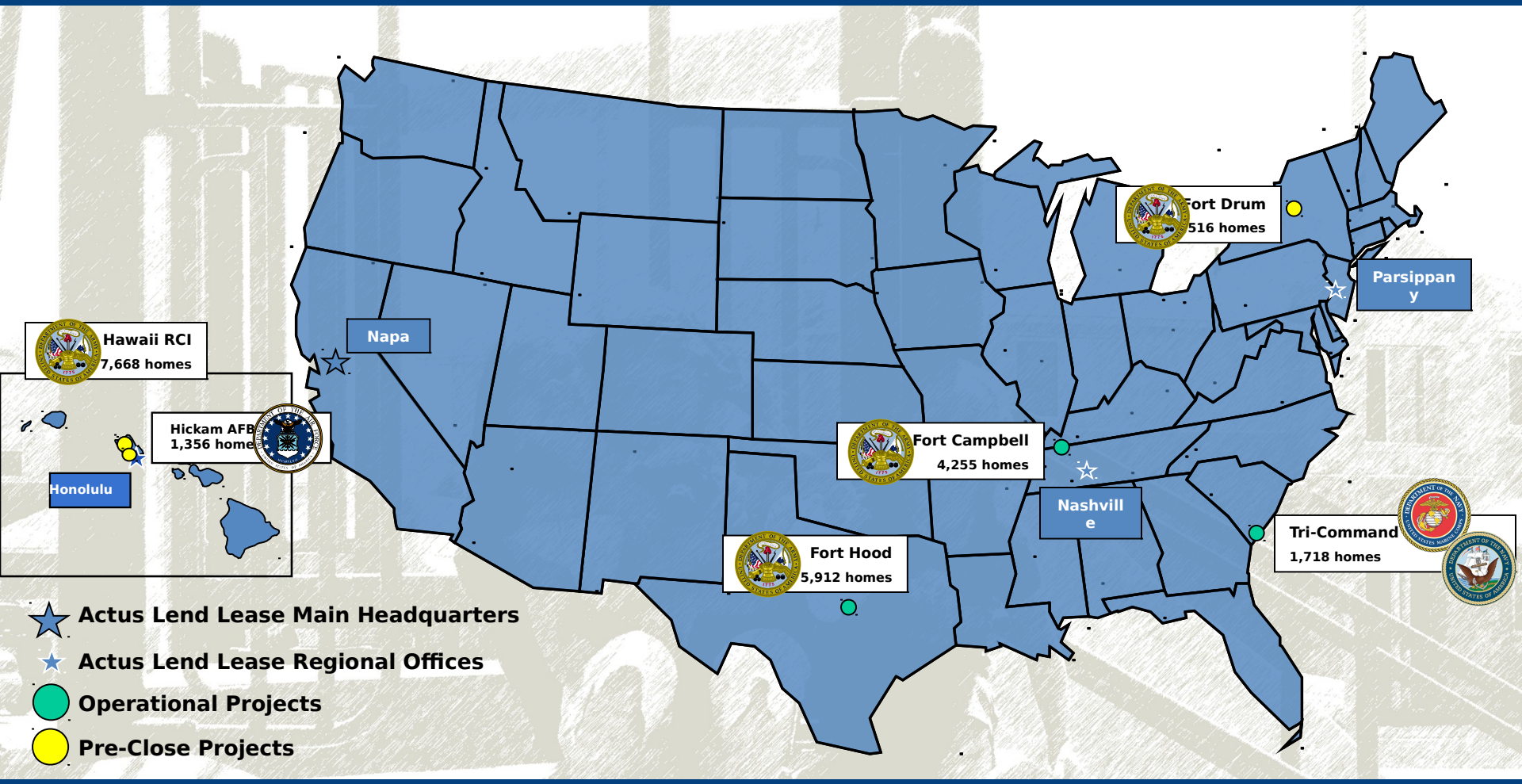
The Army will post guards around the place.

The Air Force will take out a 5-year lease with an option to buy.

The Navy will turn out the lights and lock the doors.

The Marines will kill everybody inside and set up a headquarters.

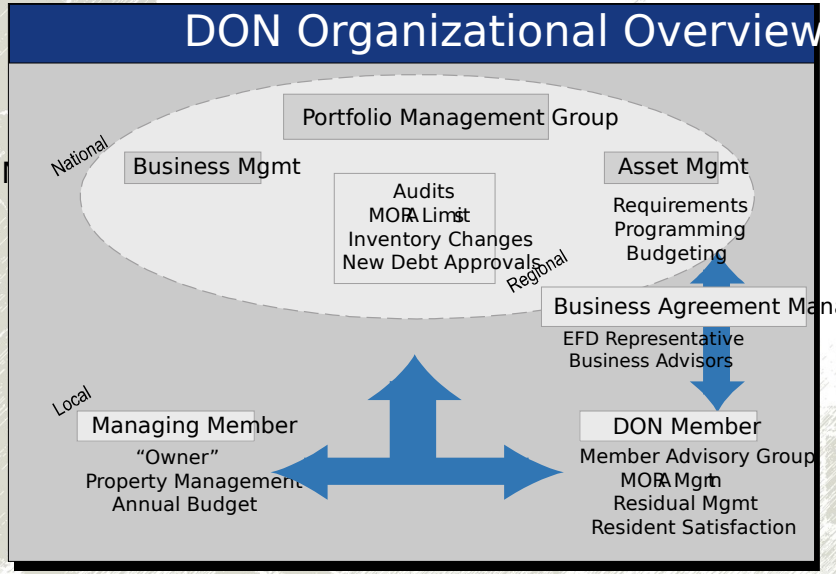
Background
Current Actus Locations



Actus Lend Lease is at work and growing. Our passion and commitment support one goal—developing and managing quality homes and communities that military families will be proud to call home.

1. Privatization Challenges

- Development
  - Multiple Installations = Multiple Competing Agendas
  - More Information Earlier in the Process is Better
  - Identification of Counterparts among Developer and USMC/DoN



- Management & Operations
  - Partnering Session Should be Held as Early as Possible
  - Exclusive Negotiations Period Presents Challenges
  - Communicate, Communicate, Communicate

2. Lessons Learned

- Development
  - Easier to Negotiate with “Single Firm Offeror”
  - Visit Local Developments to Understand “Best Practices”
  - Understand Various Stakeholders
  - Take Long-Term (50-year) vs. Short-Term Perspective
- Management & Operations
  - Understand “Exclusive Negotiations”
  - Prepare for Deluge of Service Order Backlog
  - Double Check Operating Assumptions Prior to Close
  - Understand Clearly Responsibilities for Municipal Services

3. Post-Closing Issues (Working with Installation Personnel)

- Development
  - Ensure Stakeholders Understand Costs Associated with Changing Plan
  - Gain respect as “Development Partner,” not “Contractor”
  - Involve Local Installation(s) as Early in Process as Possible
- Management & Operations
  - Validate and Confirm Initial Operating Assumptions
  - Hold Follow-on Partnering Sessions
  - Continue Education on Legal Documents and Operating Plans

4. Suggested Changes to Process

- Development
  - Avoid Surprises
    - Designate a Local Senior Leader/Decision Maker
    - Create a Document Room at the Installation Level
  - Understand the Critical Path
  - Brief Schedules Early

- Management & Operations
  - Conduct Partnering Session Early in the Process
  - Engage Local Installation(s) Early in Process
  - Develop Communications Plan to Inform/Educate Residents on "Early Success" and Benefits of Privatization

5. Resident Satisfaction/ Tenant Survey

- CEL Resident Satisfaction Survey Results
- Activities/Family Photos
- Short Video

5. Tenant Survey
CEL Resident Satisfaction

Consolidated Results	Percentage Change Between Baseline and First Surveys
Overall Satisfaction Index	9.7%
Property Satisfaction Index	0.7%
Service Satisfaction Index	23.3%
Business Success Factors	
Readiness to Solve Problems	30.9%
Responsiveness and Follow-Through	26.6%
Property Appearance and Condition	-0.1%
Quality of Management Services	17.9%
Property Rating	2.7%
Relationship Rating	22.3%
Renewal Intention	14.9%
Notes: 3 Surveys to date	
- Baseline, Nov 2002	
- Group 1, Jun 2003	
- Group 2, Nov 2003	
Response Rate over 20%	

CEL & Associates, Inc.
Real Estate Strategies, Benchmarking & Performance Solutions

5. Resident Satisfaction

Before

Nearing Completion

Officer Housing – Parris Island

5. Resident Satisfaction

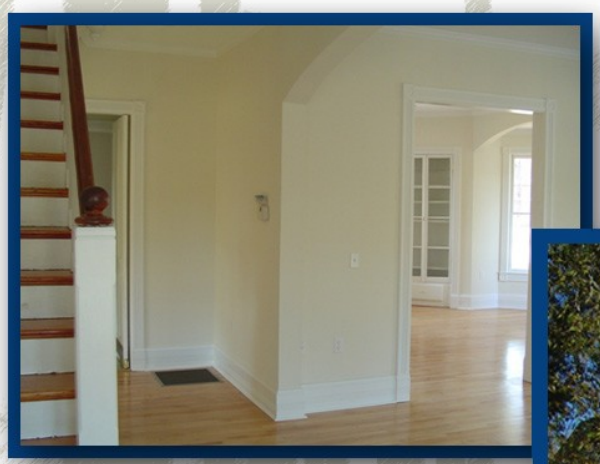
Actus Lend Lease

Historic Quarters #4 Before

5. Resident Satisfaction

Actus Lend Lease

Historic Quarters #4 After



“Just beautiful”

was a frequent comment of

Colonel John Valentin

(Assistant Chief of Staff, MCRD)

5. Resident Satisfaction

Interior of renovated Model Home at Laurel Bay

with furnishings provided by local merchants

5. Resident Satisfaction

5. Resident Satisfaction

Video Clip...

Summary – Partnership, 50 Years

Tri-Command Military Housing, LLC

April 2003

***Mission*:** We are dedicated to establishing and maintaining the highest quality of life in housing and communities for our military members and their families for the next 50 years. We will measure our success by community pride and resident satisfaction. Toward this end, our commitment will be manifested in the following interdependent elements:

Communication that is open, candid, fact-based, and continuous.

Consistency that creates an environment with clear responsibilities and clear direction among all stakeholders.

Trust that creates mutuality of purpose and serves as a basis for flexibility, remembering that declared relationships ensure people are the beneficiaries of the enterprise.

Integrity that assures fairness and strengthens the enterprise.

World-class quality and service standards that exceed those in the private sector and reflect the highest commercial standards and best practices for providing a friendly, safe, and secure residential environment.

Innovative thinking that ensures responsiveness to resident concerns and continuous improvement among stakeholder interfaces and activities.

Effective business management that ensures high occupancy levels, maximizes income, and encourages the highest asset, property, and maintenance performance for the application of agreed-to incentives.

Communities that exceed the value of the BAH to the service members and their families.

Endorsement of the partnership to exceed the demands and expectations of all stakeholders.

For the Managing Member
Jim Evans, President, Actus Asset Management
John Perry, Asset Manager, TCMH
Justin Woodcock, Development Director, TCMH
Chris Wilson, SVP, Actus Development
Marc Sierra, SVP, Actus Asset Management
Patrick Appleby, SVP, Lend Lease Residential
Chad Kyle, VP, Actus Asset Management

For the Member
Colonel Patrick Donahue, MCRD Parris Island
Colonel Harmon Stockwell, MCAS Beaufort
Captain James Hoffower, Naval Hospital Beaufort
Rose Raber, Housing Director

Marine Corps Project Perspective
Tri-Command Military Housing

presented by:

Actus Lend Lease

Jim Evans

President

Actus Asset Management

1801 West End Avenue

Suite 750

Nashville, TN 37203

(615) 963-2713

jaevans@actuslendlease.com